

October 22, 2013

The Honorable Barack Obama
President
United States of America
The White House
Washington, DC

Dear Mr. President:

We are writing to you as the members of the Fuels America coalition regarding your efforts to address climate change and your long-standing support for the Renewable Fuel Standard (RFS). In your second inaugural address, you shared your vision of the path forward to address climate change. At that time, you explained, *"The path towards sustainable energy sources will be long and sometimes difficult. But America cannot resist this transition, we must lead it. We cannot cede to other nations the technology that will power new jobs and new industries, we must claim its promise. That's how we will maintain our economic vitality and our national treasure -- our forests and waterways, our croplands and snow-capped peaks."*

There is a policy on the books that does just that. Adopted by Congress in 2005 and expanded in 2007, the RFS is breaking the oil sector's monopoly over our nation's fuel supply by opening the market to competition from America's growing biofuels industry. The RFS calls for an increasing amount of low carbon renewable fuel to be blended into our nation's fuel supply over time, and the policy is working. Renewable fuel is already blended at 10% or more.

To block any further loss of market share to low carbon cellulosic and advanced fuel, the oil industry is claiming that it cannot use more renewable fuel in our fuel blends, blaming the so-called "blend wall." They claim that blends higher than 10% cause vehicle problems, even though most cars on the road are now approved for higher blends. They claim that the necessary fuel is not available, but every gallon required for use by Congress in 2007 has been produced for use through 2012. The issue is not that they can't blend more renewable fuel, but that they won't.

Given this, we are extremely troubled by early reports suggesting that instead of staying on course and pushing the oil industry to meet the goals of the RFS and blend more low carbon fuel, the EPA may be developing a proposal for 2014 renewable volume obligations (RVOs) under the RFS that would reward the oil companies for refusing to comply with the program. It has been reported that this proposal may actually *reduce* the baseline 2014 RVO for renewable fuel, meaning that LESS renewable fuel would be blended in 2014 than in 2013. If true, this is a step backwards that will harm the environment and the economy. This type of proposal would:

- Embrace the fictional "blend wall" put forward by the oil sector.
- Increase, not decrease, the price of gas as lower cost ethanol moves out of the gasoline supply.
- Increase, not decrease, unemployment as renewable fuel producers employing hundreds of thousands of Americans cut back, putting American jobs and rural economies at risk.

- Destabilize rural economies just as farmers are expecting a near-record corn crop.
- Strand billions of dollars of private capital invested in the United States by renewable fuel producers and related companies who have brought the industry from infancy to commercialization in just 5 years based on the stability offered by the 15-year policy adopted in law in 2007.
- Increase, not decrease, the risk of investment in low carbon cellulosic and advanced renewable fuel as well as renewable fuel infrastructure.
- Surpass the boundaries of the law which offers EPA ample flexibility in administering the program.
- Adopt a bewildering approach to compliance: rewarding failure to install infrastructure necessary to comply with environmental regulations by loosening the rules, resulting in environmental backsliding under the Clean Air Act.
- Increase, not decrease, greenhouse gas emissions from the transportation sector, as unconventional oil like tar sands replaces low carbon renewable fuel currently in use.

This proposal is diametrically opposed to your Climate Action Plan and your commitment to the RFS. It is hardly an example of leading the way through the type of difficult transition to cleaner sources of energy that our nation should expect as we seek to address climate change. Instead, the proposal reportedly put forward by the EPA is a step backwards. It is a sign of a nation willing to cede its leadership role in moving toward low carbon transportation fuels, unwilling to stay on track with its statutory responsibilities when faced with opposition from incumbent industries – even opposition that is not grounded in fact.

We urge you to rein in this renegade proposal that is not reflective of the statute or your Administration's commitment to addressing climate change emissions from the transportation sector. Thank you for your consideration, and we look forward to working together to implement the RFS.

Sincerely,



ABENGOA BIOENERGY





cc:

The Honorable Tom Vilsack, Secretary, Department of Agriculture

The Honorable Ernest Moniz, Secretary, Department of Energy

The Honorable Gina McCarthy, Administrator, Environmental Protection Agency